

ABOUT MONTANA REGISTERED APPRENTICESHIP:

Montana Registered Apprenticeship is full-time employment from the start. It is an on-the-job training model that produces good-paying, sustainable jobs and highly skilled workers to meet employer demands as employers are competing locally and on into a global economy.

- Montana Registered Apprenticeship promotes earn-while-you-learn quality training by combining hands-on skills learning alongside a journeyman/mentor - with related, technical instruction in a classroom and/or online.
- Today, a majority of Montana Registered Apprenticeships (83%) are in the skilled trades; electricians, plumbers, pipe fitters, carpenters, sheet metal workers, diesel mechanics, sprinkler fitters, elevator mechanics and more.
- The average real wage increases by roughly 30% after training compared to their wage before training, an average gain of \$12,000 per worker. (DLI RA)
- There are currently 1,100 Registered Apprentices in Montana. (this number has varied over the past decade from 950/year to nearly 1,450 apprentices/year).
- Montana Registered Apprentices are currently working in 43 occupations/ in 53 of 56 counties.
- Employer data: 55% are independent employers/ 45% union employers
- The training program is typically 3-4 years to completion, depending on the occupation, once completed an apprentice receives a nationally recognized certificate / credential.

Closing the Skills Gap:

- National figures show that for every 1 skilled worker entering the workforce, 4 are leaving. This is largely due to baby boomers retiring, but there are also societal pressures that have led to a belief that only a 4- year college degree leads to career success, while in reality, there is little awareness of the skilled trades as a lucrative and rewarding career option.

WORKFORCE CHALLENGES:

- Continuing to achieve economic growth and sustainability, job creation and improving wages.
- Building and maintaining our existing infrastructure utilizing Montana workers
- Meeting employer demands for skilled Montana workers in areas including; the skilled trades, advanced manufacturing, computer technology, healthcare and energy industry jobs.
- Providing good paying, sustainable jobs for Montana families

SOLUTION:

MONTANA Registered Apprenticeship Employer Tax Credit:

Any employer that hires and trains an individual in an apprentice occupation, registered with the Montana Department of Labor & Industry, will be eligible to claim a \$1,000 dollar employer tax credit, per apprentice, per year for a maximum period of 4 years.

MERITS OF EMPLOYER TAX CREDIT:

- Encourages more employers to hire and train skilled workers through the proven, successful Registered Apprenticeship training model.
- Helps to fill the skills gap for in-demand occupations and create more meaningful career opportunities for our citizens.
- As a State Government, we recognize that for far too long employers have paid a majority of/or the entire cost of training our skilled workforce through apprenticeships. The State of Montana and our citizens have received great benefits from this employer set standard and we believe a tax credit incentive will be a good faith effort on our part to share the cost while encouraging continuation of this successful job training model.

ELIGIBILITY:

Each apprentice must first successfully complete their probationary period, and/or complete 6 months of the apprenticeship program, whichever is earlier, in order for the employer to be eligible for the tax credit.

TIMELINE:

The law would go into effect on January 1, 2016.